



ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ

ಅಧಿಕೃತವಾಗಿ ಪ್ರಕಟಿಸಲಾದುದು
ವಿಶೇಷ ರಾಜ್ಯ ಪತ್ರಿಕೆ

ಭಾಗ - ೪೨ Part - IV A	ಬೆಂಗಳೂರು, ಮಂಗಳೂರು, ೧೦, ಜನವರಿ, ೨೦೨೩(ಮುಷ್ಯ, ೨೦, ಶಕವರ್ಷ, ೧೯೪೪)	ನಂ. ೦೯ No. 09
BENGALURU, TUESDAY, 10, JANUARY, 2023(PUSHYA, 20, SHAKAVARSHA, 1944)		

GOVERNMENT OF KARNATAKA

No: FD 9 PES 2022

Karnataka Government Secretariat
Vidhana Soudha,
Bengaluru, dated: 09th January 2023.

NOTIFICATION-I

The draft of the following rules further to amend Karnataka Excise (General Conditions of Licences) Rules, 1967, which the Government of Karnataka proposes to make in exercise of the powers conferred by section 71 of the Karnataka Excise Act, 1965 (Karnataka Act 21 of 1966) is hereby published as required by sub-section (1) of section 71 of the said Act for the information of all persons likely to be affected thereby and notice is hereby given that the said draft will be taken into consideration after thirty days from the date of its publication in the official Gazette.

Any objection or suggestion which may be received by the State Government from any person with respect to the said draft before the expiry of period specified above will be considered by the State Government. The objections or suggestions may be addressed to the Additional Chief Secretary to Government, Finance Department, Vidhana Soudha, Bengaluru -560001.

DRAFT RULES

1. Title and commencement.- (1) These rules may be called the Karnataka Excise (General Conditions of Licences) (Amendment) Rules, 2023.

(2) They shall come into force from the date of their final publication in the official Gazette.

2. Amendment of rule 3.- In the Karnataka Excise (General Conditions of Licences) Rules, 1967 (hereinafter referred to as the said rules), in rule 3, for sub-rule (2), the following shall be substituted, namely: -

“(2) “Licensee” means, a person or firm or company or legal heirs to whom a licence is issued.”

3. Amendment of rule 5.- In rule 5 of the said rules,-

(1) in sub-rule (1),-

- (i) for the words “or within a distance of 220 meters from the middle of the State Highways or National Highways”, the words, “or within a distance of 500 meters from the outer edge of the State Highways or National Highways or from a service lane along the State Highways or National Highways”, shall be substituted.
- (ii) after the proviso, the following provisos shall be inserted, namely:-

“Provided further that, in case of areas comprised in local bodies with a population of 20,000 or less, the distance criteria pertaining to State Highways or National Highways shall be 220 meters:

Provided also that, the above restrictions pertaining to State Highways or National Highways shall not apply in case of liquor premises situated within City Municipal Corporation, City Municipal Council, Town Municipal Council and Town Panchayat areas:

Provided also that, nothing in sub rule (1), regarding State Highways or National Highways shall be applicable to new licences granted in Form CL-6A and Form CL-7 in Grama Panchayath or Local bodies having a population of 5,000 or above as per Census 2011.

(iii) explanation (1) and entries relating there under shall be omitted.

(2) in sub-rule (2), after the third proviso, the following provisos shall be inserted, namely: -

“Provided also that, nothing in sub rule (1), regarding distance criteria from any Office of the State Government or Central Government or Local Authorities, shall be applicable to new licences granted in Form CL-4 or Form CL-6A or Form CL-7, within the City Corporation limits:

Provided also that, nothing in sub rule (1) regarding distance criteria from any Office of the State Government or Central Government or Local Authorities, shall be applicable to existing licences in Form CL-4 or Form CL-6A or Form CL-7, within the City Corporation limits, and such licences shall also be allowed to be renewed.

(3) after sub-rule (4), the following proviso shall be inserted, namely:-

“Provided that, nothing in sub-rule (4), shall be applicable to a person holding a Microbrewery licence or a licence in Form CL-4 or Form CL-7 or Form CL-6A or Form CL-9”.

4. Amendment of rule 10.- In rule 10 of the said rules, in sub-rule (1), in clause (e), for the words “twenty-one years”, the words “eighteen years” shall be substituted.

5. Amendment of rule 10-B.- In rule 10-B of the said rules, after the words “State Legislative Assembly”, the words “State Legislative Council”, shall be inserted.

6. Amendment of rule 11.- In rule 11 of the said rules, for sub-rule (1), the following shall be substituted, namely:-

“(1) No gambling or any kind of unlawful act shall be permitted in such premises”.

7. Amendment of rule 17-A.- After rule 17-A of the said rules, the following provisos shall be inserted, namely:-

“Provided that, the legal heir of the deceased licensee or the guardian of the legal heir shall inform the Deputy Commissioner of Excise about the death of the licensee within forty five days from the date of death, failing which, the authority granting the licence shall have discretion to cancel the licence or impose a fine:

Provided further that, a licence shall not be cancelled or no such fine shall be levied unless an opportunity of being heard is given to the legal heir of the deceased licensee or the guardian of the legal heir”.

8. Amendment of rule 17-B.- In rule 17-B of the said rules,-

(1) after sub-rule (1), the following provisos shall be inserted, namely:-

“Provided that, in the case of Partnership firm, any change in the constitution of partnership that will result in implied effective change of control and management of the said partnership firm, i.e., if fifty percent or more of its stake in the profit sharing ratio changes hands and existing strength of group of partners loses fifty percent or more of the total stake of cent percent, then such a change in the constitution of partnership firm will attract the payment of transfer fee under rule 17-B. This proviso is applicable for each change that has taken place in the partnership firm after 22-08-2017:

Provided further that, if changes in the partnership firm is below fifty percent, then such cases will not attract the payment of transfer fee under rule 17-B. If the overall changes in the partnership firm after 22-08-2017 remains within fifty percent of its stake in the profit sharing ratio and existing strength of group of partners does not lose fifty percent or more of the total stake of cent percent,

then such a change in the constitution of partnership firm shall not attract the payment of transfer fee under rule 17-B.

- (i) The change of fifty percent or more shall be reckoned with reference to the existing Excise licence composition of firm and transferred Excise licence under rule 17-B and at the every stage of fifty percent or more of change of stake by exit and entry of partners in the firm, it shall attract the transfer fees under Rule 17-B.
- (ii) The said provisos are not applicable to the cases, in which any changes that had occurred in the existing partnership firm, prior to 22-08-2017. In such cases, the licensee is bound to pay the transfer fee irrespective of any change in percentage of stake in the partnership firm or strength of group of partners or otherwise:

Provided also that, the transfer fee under rule 17-B is also applicable in the event of conversion of partnership firm into a proprietary concern or vice-versa, irrespective of fifty percent or more of change in share or in other words effective control of the partnership firm.

(2) after sub-rule (2), the following sub-rule shall be inserted, namely:-

“(3) Any changes including death of partner or reconstitution of partnership firm shall be brought to the notice of the Deputy Commissioner of Excise within forty five days from the date of the occurrence of death or change or re-constitution of partnership firm or conversion of partnership firm into a proprietary concern or vice-versa, failing which, the authority granting the licence shall have discretion to cancel the licence or impose a fine.

Provided that, a licence shall not be cancelled or no such fine shall be levied unless an opportunity of being heard is given to the licensee or the legal heir/heirs of the deceased licensee or the guardian of the legal heir”.

9. Amendment of rule 24.- In rule 24 of the said rules, after the words, “licence is cancelled” the words, “or closed for any reason” shall be inserted.

By Order and in the name of
the Governor of Karnataka

(Manjula Nataraj)
Under Secretary to Government
Finance Department (Excise)